

SECOND AMENDMENT
TO
AMENDED AND RESTATED MOVING TO WORK AGREEMENT AMENDING
ATTACHMENT A (CALCULATION OF SUBSIDIES) FOR THE
RENTAL ASSISTANCE DEMONSTRATION (RAD)
BETWEEN
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
AND
CAMBRIDGE HOUSING AUTHORITY

This Second Amendment to the Moving to Work ("MTW") Agreement ("Agreement") is entered into by and between the United States of America through the U.S. Department of Housing and Urban Development ("HUD") and Cambridge Housing Authority ("Agency") and is effective on the date of execution by HUD. Unless otherwise defined herein, all capitalized terms used herein shall have the same meanings ascribed to them in the Agreement.

As a result of the Agency's participation in the RAD demonstration, Attachment A is amended as follows:

1. The following is added to the **Definitions** section:

RAD Proration Factor: Where noted in Section 1 of this Attachment A, the Agency's annual subsidy amount will be reduced by application of a RAD proration factor. The proration factor is calculated by dividing the cumulative number of public housing units that have been converted under the RAD Notice by June 30th of each year, by the total number of public housing units under Annual Contributions Contract (ACC) as of June 30, 2014, as established in the HUD PIH Information Center (PIC). The RAD proration factor will be calculated each year as part of the annual operating subsidy process.

2. The "Utility Subsidy" paragraphs of Section 1.A. are replaced as follows:

- **Utility subsidy.** The Agency's per unit month utility consumption is frozen based on the three-year rolling-base in effect in the base year (base year frozen consumption) for all units except those included in the Burns ESCo agreement. Consumption for units included in the Burns ESCo agreement will continue to be frozen based on the terms of such agreement (Burns frozen consumption). The base year frozen consumption and the Burns frozen consumption will be reduced by the RAD proration factor each year, and the resulting amounts shall be known as the frozen consumption. Each year thereafter, the Agency multiplies the frozen consumption by utility rates that are in effect at the time of budget submission. The Agency is held harmless for any changes in utility prices (resulting in year-end adjustments for actual utility rates) but takes the risk/reward for any change in consumption. Any reduction in utility rates that result from administrative actions taken by the Agency will be shared equally with HUD in accordance with regulations in effect upon execution of this amendment.

3. The “Add-ons” paragraph of Section 1.A. is replaced as follows:

- **Add-ons.** Add-ons fixed in the base year shall be reduced by the RAD proration factor each year. If the Agency fixes a Family Self Sufficiency (FSS) add-on in the base year, the Agency must continue to maintain an equivalent level of effort throughout the demonstration for FSS-type activities.
 - Transition funding received for demolished units shall not be fixed in the base year but will be requested annual based on any transition funding rules current in the year requested. Transition funding add-on shall not be allowed for a reduction in units converting to RAD.

4. Section 1.B., titled “Unit Months Available (UMAs)” is replaced as follows:

UMAs cannot exceed those UMAs established on the Performance Funding System (PFS) worksheet for the initial year of the demonstration. UMAs will be reduced by the number of units converted under the RAD Notice. The Agency may draw down additional UMAs up to the number of units under ACC as of August 21, 1996, plus 438 units added under the American Reinvestment and Recovery Act of 2009, provided that the Agency did not receive Section 8 replacement housing for these units, or that these units have not converted to RAD; and, provided that the Agency remains accountable for serving substantially this number of households.

5. Section 1.D. is replaced as follows:

For any units demolished during the term of this agreement, except for those units demolished in connection with a RAD conversion, the Agency will have the following options:

- Retain the UMAs by serving the same number of eligible families and not receive transitional funding or Section 8 replacement housing;
- Apply for Section 8 replacement housing. Once received, the Agency will no longer be eligible for transitional funding and will reduce its UMAs; or
- Receive transitional funding, but not Section 8 funding. The UMAs will then be reduced as the transitional funding becomes effective.

6. Section 1.G. is added as follows:

In the event that all of the Agency’s public housing units are converted under RAD or otherwise removed from inventory (e.g. removed via Section 18), operating subsidy will cease to be provided under this Attachment beginning with the first Calendar Year (CY) after RAD conversion of the final public housing unit.

7. Section 3 of Attachment A is amended by replacing the language under the heading “Second and Subsequent Years of MTW Participation” with the following:

- a. Multiply the total MTW renewal funding eligibility established in the previous year (excluding reserves) by the annual inflation factor established for the calculation of

renewal of Section 8 contracts, and subject to the applicable proration factor percentage, to arrive at the current year's inflation-adjusted Section 8 MTW funding. In each subsequent year, the renewal inflation factors will be applied to the prior year's per unit funding eligibility prior to proration, adjusted by the applicable pro-ratio factor for that subsequent year. In addition, any vouchers received as part of a RAD conversion shall be added to the Section 8 ACC via funding of \$1 for the remainder of the CY in which they are awarded. HUD will issue a new increment of voucher funding in the first full Calendar Year following a RAD conversion. These amounts will be renewed in subsequent years based on the per unit funding of the increment award, adjusted via the renewal inflation factor and the applicable proration factor percentage.

- b. Administrative fees for RAD vouchers will be earned per each year's posted administrative fee rates and RAD vouchers under lease each month. Fees for RAD vouchers will be prorated at the same level that applies to all non-MTW agencies.

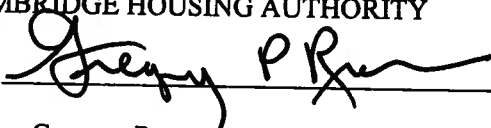
8. The following language is added to the end of Section 3:

RAD Conversion to PBV—Voucher utilization

MTW funds used to establish initial RAD PBV rents pursuant to Notice PIH-2012-32 (HA), REV-1 shall be considered obligated voucher funding for the purposes of counting towards the agency's voucher utilization percentage.

IN WITNESS WHEREOF, the parties have caused this Amendment to Attachment A to be executed by their duly authorized representatives.

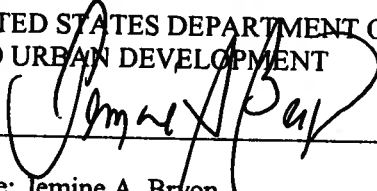
CAMBRIDGE HOUSING AUTHORITY

By: 

Name: Gregory Russ
Its: Executive Director

Date: 12-17-14

**UNITED STATES DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT**

By: 

Name: Jemine A. Bryon
Its: Acting Assistant Secretary, Public and Indian
Housing

Date: 12-22-14